

East Gate Village Condominiums

Rules & Regulations

1. Vestibules, halls, stairways and other condominium common elements must remain unobstructed, clear of debris, and shall be used only for purposes of normal transit and access to units.
2. Lobbies, vestibules, hallways, stairways, and other condominium common elements shall not be used for storage for placement of any furniture, packages, personal property or objects of any kind without written permission of the Board of Directors.
3. All exterior doors must be of the same kind. The doors must be of like design and material. All replacement of doors must be approved by the HOA Architectural Review Committee.
4. Soliciting of any kind is prohibited on the common elements.
5. Nothing can be altered, constructed upon or removed from the Common Elements without the written permission of the Association.
6. Unit owners shall be responsible for the cost to repair any damage caused to common elements by the owner, tenant, occupant, guests, and invitees.
7. No owners, occupant, licensee shall post information in any lobby, vestibule, hallway, stairway or on other condominium common elements except in places provided therefore.
8. Units shall be used for residential purposes only. Units shall not be used for commercial purposes or business purposes.
9. No portion of a unit other than the entire unit may be rented and no unit may be rented for hotel or transient purposes.
10. Residents should exercise extreme care about making noise or playing music which may disturb others.

11. No animals are permitted on the Common Elements except when leashed. All animals shall be walked in the common area and all animal solid waste shall immediately be collected and disposed of properly in a trash receptacle.
12. Satellite dishes or other similar devices on the exterior of any building shall not be installed without the written permission of the Association.
13. Owners, Lessees, Licensees, and their guests are responsible for the proper clean up, removal of any pet waste deposited by their pets. This will be strictly enforced and could result in fines levied by the Association.
14. In case of any emergency originating in or threatening any Condominium Unit, regardless of whether the owner is present at the time of such emergency, the Association, or any other person authorized by the association, shall have the right to enter such condominium for the purpose of remedying or abating the cause of such emergency, and such right of entry shall be immediate.
15. Owners shall not permit or allow anything to be done or kept in their units which could increase the rate of fire insurance thereon or on the condominiums as a whole.
16. No owner, lessee, or licensee shall install wiring for electrical or telephone installation, television antenna, machines, or air conditioning units or the like on the exterior of the project, or which protrude through walls or the roof of any unit except as authorized by the Association.
17. No signs of any kind shall be placed on windows, doors, terraces, facades, or other exterior surfaces of the building.
18. All water leaks or leaking faucets should be repaired as soon as possible.
19. Each unit owner shall promptly perform all maintenance and repair work within his or her unit, which if omitted would affect any common elements, any portion of the property belonging to other owners, or the project as a whole, and each unit owner shall be responsible for all damages and liabilities that any failure to maintain or repair may cause.
20. No obnoxious or offensive activity shall be conducted upon any Unit nor shall anything be done which may be an annoyance or nuisance.

21. Unit owners, their families, guests, tenants, and employees will abide by the following parking and traffic regulations:

- a) Horns are to be used only when necessary for the safe operation of vehicles.
- b) Owners shall not park, nor shall they permit their families, guests, or tenants to park, in such a manner as to prevent ready access to the parking spaces of other spaces of other owners. Improperly parked vehicles are subject to removal at their owners' expense.
- c) Parking of trucks, boats, trailers, campers, mobile homes, commercial vehicles and inoperable vehicles is not allowed. The Association will have these vehicles towed at the owners' expense.
- d) Vehicles that are in non-operating condition shall not be permitted to stay in the parking lot. These vehicles will be removed from the property at the vehicle owners' expense.

22. Violations of these rules and regulations may result in fines that can be levied by the Association.

Note – The Board of Directors reserves the right, subject to approval by a majority of unit owners, to amend, repeal or add to these rules & regulations from time to time as may be deemed necessary for the safe and efficient maintenance of the condominium and for the comfort and convenience of the occupants thereof.



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GUILFORD CO, NC FEE \$101.00
PRESENTED & RECORDED:

06-27-2007 01:57:00 PM

JEFF L. THIGPEN
REGISTER OF DEEDS
BY: DEBORAH Citty
ASSISTANT-GB

BK: R 6746

PG: 2374-2403

Prepared By and Return To:
Pendergrass Law Firm, PLLC
P O Drawer 33809
Raleigh, NC 27636

STATE OF NORTH CAROLINA

DECLARATION OF CONDOMINIUM

FOR EAST GATE VILLAGE

COUNTY OF GUILFORD

CONDOMINIUMS

30^c
THIS DECLARATION OF CONDOMINIUM is made this 27 day of
June, 2007, by GATE CITY HOLDINGS, LLC, a North Carolina Limited
Liability Company ("Declarant").

WITNESSETH:

WHEREAS, Declarant is the owner of certain real property located in Guilford County, North Carolina, more particularly described on Exhibit "A" attached hereto (the "Land"); and

WHEREAS, Declarant desires to submit the Land and the improvements located thereon (collectively, the "Property") to the terms and provisions of the North Carolina Condominium Act and by so doing intends to protect the value and the desirability of the Property, further a plan for condominium ownership of the Property, create a harmonious and attractive development of the Property, and promote a mutually beneficial development and operation of condominium units on the Property.

NOW, THEREFORE, Declarant hereby declares that all of the Property shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, which shall run with the Property and be binding on all parties having any right, title or interest in all or any part of the Property, their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof.

**ARTICLE I
DEFINITIONS**

Section 1.1: "**Association**" means East Gate Village Condominiums Association, Inc., a North Carolina non-profit corporation, its successors and assigns formed on May 10, 2007 by filing Articles of Incorporation with the North Carolina Secretary of State, as superseded by those certain Restated Articles of Incorporation filed with the North Carolina Secretary of State on June 26, 2007, a true copy of which is attached hereto as Exhibit "B" (hereinafter referred to as the "Articles").

Section 1.2: "**Board of Directors**" means the body designated in this Declaration to act on behalf of the Association, and sometimes referred to as the Executive Board. Accordingly, Executive Board and Board of Directors as used herein shall be synonymous.

Section 1.3: "**Buildings**" means and refers to the buildings and all other improvements located upon the Land which presently consists of ninety-six (96) Units total,

thirty-two (32) of which are all one (1) story first floor Units and sixty-four (64) of which are two (2) story second floor Units. There are currently eight (8) Buildings situated on the Land which Buildings house the ninety-six (96) Units. Buildings 300, 304, 306, 308, 310 and 312 house twelve (12) Units each, Building 302 houses nine (9) Units and Building 314 houses fifteen (15) Units. The Buildings are the equivalent of three (3) stories in height currently with siding on the exterior walls and asphalt shingles on the roofs.

(a) The Units located in Building 300 bear the following identifying Unit numbers: Units 300-1A, 300-1B, 300-1C, 300-1D, 300-2A, 300-2B, 300-2C, 300-2D, 300-2E, 300-2F, 300-2G and 300-2H;

(b) The Units located in Building 302 bear the following identifying Unit numbers: Units 302-1A, 302-1B, 302-1C, 302-2A, 302-2B, 302-2C, 302-2D, 302-2E, 302-2F;

(c) The Units located in Building 304 bear the following identifying Unit numbers: Units 304-1A, 304-1B, 304-1C, 304-1D, 304-2A, 304-2B, 304-2C, 304-2D, 304-2E, 304-2F, 304-2G and 304-2H;

(d) The Units located in Building 306 bear the following identifying Unit numbers: Units 306-1A, 306-1B, 306-1C, 306-1D, 306-2A, 306-2B, 306-2C, 306-2D, 306-2E, 306-2F, 306-2G and 306-2H

(e) The Units located in Building 308 bear the following identifying Unit numbers: Units 308-1A, 308-1B, 308-1C, 308-1D, 308-2A, 308-2B, 308-2C, 308-2D, 308-2E, 308-2F, 308-2G and 308-2H;

(f) The Units located in Building 310 bear the following identifying Unit numbers: Units 310-1A, 310-1B, 310-1C, 310-1D, 310-2A, 310-2B, 310-2C, 310-2D, 310-2E, 310-2F, 310-2G and 310-2H;

(g) The Units located in Building 312 bear the following identifying Unit numbers: Units 312-1A, 312-1B, 312-1C, 312-1D, 312-2A, 312-2B, 312-2C, 312-2D, 312-2E, 312-2F, 312-2G and 312-2H; and

(h) The Units located in Building 314 bear the following identifying Unit numbers: Units 314-1A, 314-1B, 314-1C, 314-1D, 314-1E, 314-2A, 314-2B, 314-2C, 314-2D, 314-2E, 314-2F, 314-2G, 314-2H, 314-2I, and 314-2J.

The Buildings are more particularly described and shown on the Plat(s) and Plan(s) which depict all particulars of the Buildings. The Plat(s) and Plan(s) contain all of the certifications and information required by N.C.G.S. § 47C-2-109, and the Plat(s) and Plan(s) have been filed under the name of the Condominium in the Unit Ownership File in the Guilford County Public Registry.

Section 1.4: **"Bylaws"** means the bylaws of the Association, as the same may from time to time be amended.

Section 1.5: **"Certificate of Completion"** means that certain Certificate of Completion for East Gate Village Condominiums executed by Gregory J. Tierney, Professional Engineer, the original of which is attached hereto and marked as Exhibit "C".

Section 1.6: **"Common Elements"** means all portions of the Condominium other than the Units, including, without limitation, (i) the Land; (ii) all improvements located upon the Land outside of the Buildings, any signage now existing or hereafter erected, entrance features, landscaped areas (including landscape timbers around the perimeter of the Land, if any), outdoor lighting, the swimming pool, club house and any related facilities, underground utility lines, (including but not limited to electrical lines, telephone lines, cable television lines, water lines, gas lines, sewer lines and fiber optic lines located outside any street rights-of-way, whether public or private, and outside any City of High Point utility easements), walkways, well(s) or pump(s) and their respective enclosures, irrigation systems, streets, parking areas and driveways, (iii) all portions of the Building located

outside of the Units, including, but not limited to, wood studs, exterior walls, canopies, porches, walkways, stairways and overhangs surrounding the entrances to the Building, the windows and entrance doors to each Unit, decks and steps, (other than those hereinafter described as Limited Common Elements, if any), and (iv) foundations, roof and structural components of the Building(s) and any area(s) denominated as Common Elements on the Plat(s) and Plan(s).

Section 1.7: “**Common Expenses**” means and refers to any and all expenditures made by or financial liabilities of the Association, together with any allocations to reserves, made pursuant to and in accordance with this Declaration, the Bylaws and the North Carolina Condominium Act and any ad valorem taxes, public assessments, governmental liens or other expenses or charges levied against the Common Elements.

Section 1.8: “**Condominium**” means the Land described on Exhibit “A” attached hereto and the Building(s) and other improvements located thereon, portions of which are designated for separate ownership and the remainder of which are designated for common ownership solely by the Owners.

Section 1.09: “**Condominium Documents**” means this Declaration, the Articles and Bylaws of the Association, the Plat(s) and Plan(s) any Rules and Regulations governing the use of the Property and all attachments, exhibits, modifications, or amendments thereto, respectively.

Section 1.10: “**Declarant**” means GATE CITY HOLDINGS, LLC, a North Carolina Limited Liability Company, its successors and assigns.

Section 1.11: “**Declaration**” means this Declaration of Condominium as it may be amended from time to time in the future.

Section 1.12: “**Executive Board**” means the body designated in this Declaration to act on behalf of the Association and sometimes referred to as the Board of Directors. Accordingly as used herein, Executive Board and Board of Directors shall be synonymous.

Section 1.13: “**Land**” means and refers to that certain real property more particularly described on Exhibit “A” attached hereto and incorporated herein by reference.

Section 1.14: “**Limited Common Elements**” means any portion of the Common Elements allocated by the Declaration or the Plat(s) and Plan(s) for the exclusive use of one or more but fewer than all of the Units, if any, unless expressly included in the definition of Common Elements in Section 1.6 above.

The Limited Common elements shall include those portions of any pipe, chute, flue, duct, wire, conduit, or any other fixtures lying partially within and partially outside the designated boundaries of a Unit which serve only that Unit, and any portion thereof serving more than one Unit but not all of the Units and any portion of the Common Elements pursuant to N.C.G.S. § 47C-2-102(2). Furthermore, any entrance porches, stoops, decks, steps, windows and all exterior doors and windows or other fixtures designated to serve a single Unit but located outside the Unit’s boundaries are Limited Common Elements allocated exclusively to that Unit, pursuant to N.C.G.S. § 47C-2-102(4). Notwithstanding the foregoing or anything herein to the contrary, any portions of the heating, ventilating and air-conditioning systems, including, fans, compressors, return air grills and thermostats, utility lines providing water, sewer, telephone, gas, cable television or other services (other than the portions of any such utility trunk or main lines located underground or within the concrete slab upon which any Building is located and the central control box or panel to which such service lines are connected) whether located inside or outside the designated boundaries of a Unit (including within the metal studs and the plenum area inside any Building), but which serve a single Unit, shall not be designated as Common Elements or Limited Common Elements but shall instead be the personal property of the Owner of the Unit or Units that they serve.

Section 1.15: "**Member**" means every person or entity who holds membership in the Association.

Section 1.16: "**Mortgage**" means and refers to a mortgage or deed of trust constituting a lien on a Unit.

Section 1.17: "**Mortgagee**" means and refers to the owner and holder of a Deed of Trust constituting a lien on a Unit.

Section 1.18: "**Owner**" means the record Owner, whether one or more persons or entities, of fee simple title to any Unit which is a part of the Property [as hereinafter defined], together with an undivided interest in the Common Elements as hereinafter set forth, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 1.19: "**Period of Declarant Control**" means the period commencing on the date hereof and continuing until the earlier of (i) the date Declarant has conveyed the last of all of the Units to an unaffiliated third party; or (ii) the date upon which Declarant voluntarily surrenders control of the Condominium to the Association. Notwithstanding any term or provision hereof, and subject to the provisions of Chapter 47C of the North Carolina General Statutes and Section 2.7 of this Declaration, Declarant, acting alone, shall have the right and authority to correct any term or provision of this Declaration. To give effect to the foregoing the Declarant shall be the only necessary signatory on any document executed to correct any term or provision of this Declaration, which authority shall survive the surrender of Declarant's control to the fullest extent permitted by applicable law. In no event shall such Period of Declarant Control terminate prior to Declarant conveying a majority of the Units to third parties.

Section 1.20: "**Plat(s) and Plans**" mean the Plat(s) and Plan(s) for the Condominium recorded in Condominium ~~File~~ Book C12 Pages 59 through 77 in the Office of the Guilford County Register of Deeds and any additional recordings or re-recordings which may be incorporated at a future date. The Plat(s) and Plan(s) are hereby incorporated herein by reference as if the same were attached hereto.

Section 1.21: "**Property**" shall mean and refer to the Land, the Building(s) and all other improvements and structures located on the Land, all easements, rights and appurtenances belonging or appertaining to the Land, and all articles of personal property intended for common usage in connection therewith.

Section 1.22: "**Rules and Regulations**" shall mean any governmental requirement to which the Condominium is subject, whether at the Federal, State or local level, as well as any guideline, requirement or other limitation imposed on the Condominium or any Unit in the Condominium by a vote of a majority of the Owners owning Units in the Condominium.

Section 1.23: "**Suite**" as used herein or in the Plat(s) and Plan(s) or in any other of the Condominium Documents shall have the same meaning as and may be used interchangeably with "Unit" as that term is hereinafter defined.

Section 1.24: "**Unit**" means a physical portion of the Condominium designated for separate ownership or occupancy. The location and dimensions of each Building and of each of the Units within the Buildings are shown on the Plat(s) and Plan(s). The horizontal boundaries of each Unit shall consist of the face of the unfinished wood studs around the perimeter of each Unit to which sheetrock has been attached. The lower boundary of each Unit shall be the horizontal plane of the unfinished sub-floor of such Unit and the upper boundary shall be the horizontal plane constituting the finished ceiling at its highest point above the lower boundary of such Unit. The boundaries of each Unit are more particularly shown and described on the Plat(s) and Plan(s). All lath, furring, wallboard, plasterboard, plaster, panelling, tiles, wallpaper, paint, finished flooring and any other materials constituting any part of the finished flooring, and any other materials constituting any part of the perimeter wood studs, floors or ceilings of each Unit, thereon shall constitute a part of

each Unit. Furthermore, all interior walls, partitions, sheetrock ceilings, fixtures, appliances, cabinets and other facilities or improvements lying completely within the boundaries of a Unit shall be a part of such Unit.

Notwithstanding the foregoing definitions, all definitions set forth in N.C.G.S. § 47C-1-103 are hereby incorporated by reference and the terms defined therein shall have the meanings set forth therein when used in this Declaration or in other Condominium Documents, unless the applicable term is expressly defined otherwise in this Declaration or such other Condominium Documents, or unless the context otherwise plainly requires a different meaning.

ARTICLE II - SUBMISSION OF PROPERTY TO CONDOMINIUM ACT AND DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

Section 2.1: Declarant hereby submits the Property to the provisions of the North Carolina Condominium Act set forth and contained in N.C.G.S. Chapter 47C (the "Condominium Act"). The Property will be administered in accordance with the provisions of the Condominium Act, the Declaration, the Articles, the Bylaws, the Rules and Regulations and the other Condominium Documents, as applicable.

Section 2.2: The name of the Condominium shall be "East Gate Village Condominiums."

Section 2.3: The Property is located in High Point, Guilford County, North Carolina.

Section 2.4: Declarant hereby establishes within the Property the ninety-six (96) Units shown on the Plat(s) and Plan(s) and does hereby designate each such Unit for separate ownership. In addition to the Unit definition contained herein, reference is hereby made to the Plat(s) and Plan(s) for a separate description of the boundaries of each Unit, identified by Unit Number as shown thereon.

Section 2.5: Each Owner shall be a member of the Association. An Owner shall be entitled to one (1) vote for each Unit owned. For Units jointly owned, such Owners shall collectively be entitled to only one (1) vote per Unit, except that the holder or holders of a life estate in a Unit shall have the sole right to cast the vote allocated to that Unit without protest being made promptly to the person presiding over the applicable meeting by any of the other of such joint Owners or joint life estate holders. In no event may a vote with respect to any Unit be divided among joint Owners of the Unit or cast in any manner other than as a whole, it being the express intention of this Section 2.5 that there be no "splitting" of votes that may be cast by any Member or Members.

Section 2.6: There are no Limited Common Elements with the exception of the Limited Common Elements created under Article V herein or as may be shown on the Plat(s) and Plan(s).

Section 2.7: To the extent permitted by N.C.G.S. Chapter 47C and other applicable law, the Declarant reserves the following Special Declarant Rights for the Property, which shall be exercisable at any time:

- (a) To appoint and remove any Executive Board members until the Declarant has surrendered control of the Condominium to the Association;
- (b) To amend this Declaration at any time and from time to time to bring it into compliance with N.C.G.S. 47C and other applicable law, and to correct any other deficiency in the documents creating or establishing the Condominium including but not limited to the recording or re-recording of corrective Plat(s) and Plan(s);

- (c) To assign or set over and transfer unto any successor declarant any Declarant Rights hereby created or herein reserved.

ARTICLE III PROPERTY RIGHTS

Section 3.1: **Conveyance** of a Unit shall vest fee simple title to such Unit in the Owner.

Section 3.2: Every Owner shall own an undivided interest in the Common Elements and shall have a right and easement of enjoyment in the Common Elements and an unrestricted right of ingress and egress over and across the Common Elements to such Owner's Unit, which shall be appurtenant to and shall pass with the title to every Unit. The undivided interest of every Unit Owner in the Common Elements shall be the fractional interest set forth on Exhibit "D" attached hereto. The undivided interests set forth on Exhibit "D" have been established by dividing a numerator of one (1), representing each individual Unit, by a denominator of ninety-six (96) representing the total number of Units currently constructed. The relationship of that numerator and denominator, as a fraction, shall constitute the undivided interest in the Common Elements owned by a particular Unit Owner subject to modification as permitted by Article II above. The undivided interest in the Common Elements and the right and easement of enjoyment in such Common Elements are subject to the following:

- (a) The Association by a majority vote of the Members shall have the right to adopt such Rules and Regulations as may be needed to regulate the use and enjoyment of the Common Elements; and
- (b) The Association shall have the right to dedicate, transfer, or encumber all or any part of the Common Elements subject to approval by the Owners as provided herein or in the Condominium Act;

Section 3.3: Subject to the provisions hereof, any Owner or tenant in possession may delegate his right of enjoyment to the Common Elements to permitted tenants, employees, licensees and customers of an Owner or tenant in possession of a Unit.

ARTICLE IV COVENANT FOR MAINTENANCE ASSESSMENTS

Section 4.1: Each Owner, by acceptance of a deed to a Unit, whether or not it shall be so expressed in such deed, hereby covenants and agrees to pay the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. Except as otherwise set forth herein, the liability of each Owner for the Common Expenses of the Association shall be in accordance with the respective fractional ownership interests in the Common Elements owned by the respective Owners as provided in Exhibit "D" attached hereto. Any assessment levied against a Unit remaining unpaid for a period of thirty (30) days or longer shall constitute a lien on that Unit when filed of record in the office of the Clerk of Superior Court of Guilford County and shall accrue interest at a rate set by the Association not to exceed 18% per annum. The Association may bring an action at law against the Owner, or foreclose the lien against the applicable Unit. Fees (including reasonable attorney fees), costs, late charges, fines, and interest are also enforceable as assessments.

Each assessment, together with interest, costs, and reasonable attorneys' fees, shall also be the personal obligation of the Owner of the applicable Unit at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to a successor in title unless expressly assumed by such successor in title.

Section 4.2: The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage and to ad valorem taxes levied against a Unit. The sale or

transfer of any Unit shall not affect the assessment lien. The sale or transfer of any Unit pursuant to a mortgage or tax foreclosure or any proceeding in lieu thereof, however, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Unit from liability for any assessments thereafter becoming due or from the lien thereof.

Section 4.3: The annual assessments levied by the Association shall be used exclusively to promote the health, safety and welfare of the Owners and Unit occupants and promote the beneficial development and operation of the Units and in particular for the acquisition, improvement and maintenance of the facilities and Common Elements serving the Condominium. The annual assessments shall not be used to maintain, repair or replace any Limited Common Elements, unless a majority of the Unit Owners shall approve of such. The annual assessments shall be used to pay for outside lighting of the Buildings and the Land, exterior cleaning and landscaping of the Land, pick-up and removal of trash from the dumpster(s) located on the Land, insurance premiums for the coverages set forth in Article X hereof, reserves for the future repair, maintenance and replacement of Common Elements and for such other items and services as maybe necessary to carry out the aforementioned purposes.

The Association may also levy special assessments payable in a manner as specified by the Association for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Elements, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of the Owners of a simple majority of the Units.

Section 4.4: Subject to Section 4.4(d) hereafter, the initial annual assessment shall be \$900.00 per Unit per year.

- (a) From and after January 1 of the year immediately following the conveyance of the first Unit to an Owner, the maximum annual assessment may be increased effective January 1 of each successive year, without a vote of the membership but by a vote of a majority of the Board of Directors, by up to fifteen percent (15%) of the previous year's maximum annual assessment.
- (b) Any annual increase in the annual assessment in excess of fifteen percent (15%) per year, such increase shall require the vote of a majority of the Owners of the Units who are voting in person or by proxy, at a meeting duly called for this purpose. Written notice setting forth the purpose of such meeting shall be sent to all Owners not less than thirty (30) days nor more than sixty (60) days in advance of the meeting.
- (c) The Executive Board may fix and collect the annual assessment at an amount not in excess of the maximum.
- (d) Nothing herein set forth shall be deemed to preclude the Unit Owners, by a majority vote, from assessing Units an additional sum, as part of the annual assessment, depending on the particular characteristics of a Unit, such as its size, age, the nature of its use by its Owner, or such other criteria as a majority of Unit Owners determine justifiable for surcharging such Unit. The amount of any such surcharge however must be reasonably related to the rationale for such surcharge.

Section 4.5: Annual assessments and special assessments provided for herein shall commence at a date established by the Association. Once such assessments are established, written notice of the assessment shall be sent to every Owner subject thereto. The due dates for payment of an assessment shall be established by the Executive Board and shall be set forth in such notice. While the annual assessments are made on an annual basis, they may be billed and collected monthly, quarterly, semi-annually or annually as determined by the Executive Board. Special Assessments shall also be billed and collected monthly, quarterly, semi-annually, or annually as established by the Executive Board.

ARTICLE V COMMON ELEMENTS

Section 5.1:

- (a) "Common Elements" shall include all portions of the Condominium other than the Units, including, without limitation, (i) the Land; (ii) all improvements located upon the Land outside of the Buildings, any signage now existing or hereafter erected, entrance features, landscaped areas (including landscape timbers around the perimeter of the Land, if any), outdoor lighting, the swimming pool, club house and any related facilities, underground utility lines, (including but not limited to electrical lines, telephone lines, cable television lines, water lines, gas lines, sewer lines and fiber optic lines located outside any street rights-of-way, whether public or private, and outside any City of High Point utility easements), walkways, well(s) or pump(s) and their respective enclosures, irrigation systems, streets, parking areas and driveways, (iii) all portions of the Building located outside of the Units, including, but not limited to, wood studs, exterior walls, canopies, porches, walkways, stairways and overhangs surrounding the entrances to the Building, the windows and entrance doors to each Unit, decks and steps, (other than those hereinafter described as Limited Common Elements, if any), and (iv) foundations, roof and structural components of the Building(s) and any area(s) denominated as Common Elements on the Plat(s) and Plan(s).

- (b) The Limited Common elements shall include those portions of any pipe, chute, flue, duct, wire, conduit, or any other fixtures lying partially within and partially outside the designated boundaries of a Unit which serve only that Unit, and any portion thereof serving more than one Unit but not all of the Units and any portion of the Common Elements pursuant to N.C.G.S. § 47C-2-102(2). Furthermore, any entrance porches, stoops, decks, steps, windows and all exterior doors and windows or other fixtures designated to serve a single Unit but located outside the Unit's boundaries are Limited Common Elements allocated exclusively to that Unit, pursuant to N.C.G.S. § 47C-2-102(4). Notwithstanding the foregoing or anything herein to the contrary, any portions of the heating, ventilating and air-conditioning systems, including, fans, compressors, return air grills and thermostats, utility lines providing water, sewer, telephone, gas, cable television or other services (other than the portions of any such utility trunk or main lines located underground or within the concrete slab upon which any Building is located and the central control box or panel to which such service lines are connected) whether located inside or outside the designated boundaries of a Unit (including within the metal studs and the plenum area inside any Building), but which serve a single Unit, shall not be designated as Common Elements or Limited Common Elements but shall instead be the personal property of the Owner of the Unit or Units that they serve.

Section 5.2: The walls connecting adjacent Units are "party walls" and to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use as determined by the Executive Board. Notwithstanding any other provision of this Article, an Owner who by his negligent or willful act causes a party wall to be exposed to the elements and/or causes damage to another Unit, shall bear the entire cost of protecting the Unit against such elements or damage as applicable.

Section 5.3: The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the Unit and shall pass to such Owner's successors in title.

Section 5.4: If any Owner desires to sell his Unit, such Owner may, in order to assure a prospective Purchaser that no adjoining Owner has a claim for such contribution may request a certification that no right of contribution exists, whereupon it shall be the duty of the adjoining Owner to make such certification immediately upon request and without charge; provided, however, that where the adjoining Owner claims a right of contribution, the certification shall contain a recital of the amount claimed.

Section 5.5: In the event of any dispute arising concerning a party wall, or under the provisions of this Article, such dispute shall be settled by binding arbitration in Guilford County, North Carolina in accordance with the then applicable rules of the American Arbitration Association.

ARTICLE VI MAINTENANCE

Section 6.1: The Association shall provide maintenance of a general nature for the Building(s) and Land and shall maintain the Common Elements, subject to assessment hereunder, including paint, repair, replacement and care, as needed for the following: roofs, exterior building surfaces, trees, shrubs, walks, private streets, parking lots, lighting, irrigation, retaining walls, entry ways, hallways, dumpsters, dumpster moving and relocation and other exterior and interior improvements related thereto. To the extent such maintenance involves maintenance of Limited Common Elements the Owner or Owner(s) of such Unit served by the Limited Common Elements shall be solely responsible for such maintenance costs except as may be permitted by Section 4.3 or any other applicable section of this Declaration.

Section 6.2: In the event that the need for maintenance, repair, or replacement is caused through the willful or negligent act of an Owner, his tenants, guests or their respective employees, customers or agents, the cost of such maintenance, replacement, or repairs shall be added to and become a part of the assessment to which such Unit is subject.

Section 6.3: The maintenance of all personal property fixtures and utility lines serving a Unit but not included in the Common Elements or Limited Common Elements, including, but not limited to, the HVAC systems and utility lines providing telephone, gas, cable television, water, sewer and any other services to a Unit, shall be the sole responsibility of the Owner of such Unit served and such Owner shall maintain such personal property at all times to prevent any damage or destruction to any other Unit or to the Common Elements and shall be responsible to cause the immediate repair of any such damage or destruction arising from or caused thereby.

ARTICLE VII ARCHITECTURAL CONTROL

No building, fence, wall or other structure or improvement shall be commenced, erected or maintained upon the Condominium, nor shall any exterior addition or change therein be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing by a majority vote of the Board of Directors of the Association. The foregoing restriction specifically applies to any changes to the interior or exterior appearance of each Unit, any signs, lettering, advertising or other information permanently or temporarily posted on, attached to or affixed to the exterior of a Unit or any exterior signage, any lettering, advertising or other information permanently or temporarily posted on, attached to or affixed to the exterior of a Unit.

The exterior color of all or any part of a Building cannot be changed unless the color scheme of the entire Condominium is similarly changed. Any such change requires the approval of two-thirds (2/3) of the Owners at a duly called meeting at which a quorum is present.

ARTICLE VIII USE RESTRICTIONS

Section 8.1: No Unit may be used for commercial purposes and shall, at all times, be used in accordance with any applicable zoning ordinances to which the Condominium is subject. To the extent of a usage conflict between a restriction contained herein and the applicable zoning classification, the terms of this Declaration shall be deemed to control. For purposes of this Section 8.1 and the use of Units generally, such prohibition against using a Unit for "commercial purposes" shall not prohibit or in any way restrict an Owner from renting his Unit to third parties, whether under a short term or long-term lease.

Section 8.2: The use of Units by Owners and their tenants, guests or other occupants shall be limited to residential purposes.

Section 8.3: No obnoxious or offensive activity shall be conducted upon any Unit nor shall anything be done thereon which may be or may become an annoyance or nuisance.

Section 8.4: No outside radio or television antennas, including satellite dishes or receivers, shall be erected on any Unit without the consent and approval of the Board of Directors.

Section 8.5: No signs except "for sale" or "for rent" signage, or other attachments to the exterior of a Unit, the exterior of the Building or upon the Common Elements shall be permitted without the prior written approval of the Declarant during any Period of Declarant Control and by a majority vote of the Board of Directors thereafter.

Section 8.6 With the exception of the club house, the Common Elements shall not be used for storage of supplies, personal property, trash or refuse of any kind except that common trash receptacles may be placed at various locations within the Common Elements at the discretion of the Executive Board. Sidewalks, landscaped areas, driveways and parking areas shall not be obstructed in any way, or used for other than their intended purposes. The cleanliness and orderliness of the Limited Common Elements shall be the responsibility of the Owner or Owners having the right to the use and enjoyment of such Limited Common Elements.

Section 8.7: The Unit Owners, by a majority vote, may adopt reasonable Rules and Regulations governing the use of the Units or Common Elements from time to time.

Section 8.8: Any lease of a Unit or portion thereof shall be in writing, and shall provide that the terms of the applicable lease shall be subject in all respects to the Condominium Documents and that any failure by the tenant to comply with each and every term of such Condominium Documents shall constitute a default under the applicable lease.

Section 8.9: Nothing shall be done or kept in any Unit or on the Common Elements which will impair the structural integrity or mechanical systems or lessen the support of any portion of the Condominium or which will increase the rate of insurance on the Common Elements or any Unit.

Section 8.10: Each Owner shall be responsible for maintaining his or her Unit and all personal Property serving such Unit, including, without limitation, the HVAC system, telephone, gas, water, sewer, cable television, fiber optic and other utility service lines serving such Unit which are not specifically designated as Common Elements herein. Each Owner shall further be responsible for the cost of maintaining the Limited Common Elements appurtenant to such Unit except as may otherwise be provided in this Declaration.

Each Owner shall keep his or her Unit in a clean, neat and orderly condition and in a good state of maintenance and repair. If any Owner fails to comply with the standards or requirements of the Association relative thereto, the Association may undertake to affect such compliance and assess the defaulting Owner with the cost thereof. Each Owner shall be responsible for repairing any damage caused to other Units or any portion of the Common Elements resulting from the acts of such Owner or its tenants, guests, or their respective agents, employees, contractors, licensees or customers.

Section 8.11: Each Owner shall pay promptly all persons furnishing labor or materials with respect to any work performed on behalf of such Owner or its contractor on or about the Common Elements and shall not permit any lien to be filed against the Common Elements by reason of any work, labor, services or materials performed or furnished, or alleged to have been performed or furnished, to such Owner or to anyone possessing such Owner's Unit through or under such Owner. In the event such a lien is filed, such Owner shall forthwith cause the same to be discharged of record or bonded to the satisfaction of the Executive Board thereafter.

Section 8.12: All Owners, their tenants, guests and their respective invitees shall park their cars in the Common Elements only in such areas designated for such purposes by the Executive Board. If any Owner, its tenants, invitees, employees, agents, guests, or their respective employees shall fail to park their cars in the designated parking areas, then the Executive Board shall have the right to charge the applicable Owner a parking charge on a per diem basis for such violation. Such charge shall be immediately due and payable, and if not paid within thirty (30) days of such Owner's receipt thereof, shall be a lien on the applicable Owner's Unit which may be foreclosed upon in the same manner as liens for unpaid assessments set forth in Section 4.1 hereof.

Section 8.13: Neither an Owner, nor such Owner's tenants or their respective agents, employees, contractors or customers, shall deposit, dispose of, introduce, store or discharge any hazardous substances, materials, elements or compounds on any Unit or upon the Common Elements in violation of any local, state or federal law, rule or regulation regarding environmental, hazardous, toxic, dangerous, restricted or otherwise regulated wastes, substances or materials now or hereafter in effect.

ARTICLE IX EASEMENTS

Section 9.1: The Executive Board reserves at any time, the right to grant easements for utility purposes for the benefit of the Property, including the right to install, lay, maintain, repair and replace water lines, pipes, ducts, sewer lines, gas mains, telephone and television, cable or satellite television wires, cables and equipment, electrical conduits, fiber optic cables and wires over, under, along and on any portion of the Common Elements; and each Owner hereby grants to the Executive Board an irrevocable power of attorney to execute, acknowledge and record for and in the name of each Owner such instruments as may be necessary to effectuate the foregoing. The Executive Board shall, at any time, have the right and easement to run or delegate the running of conduits, utility lines and other cables, wires and equipment in the plenum area between the top horizontal plane of each Unit and the roof of the Buildings in order to provide utilities and other services to Owners and their tenants; provided, however, the ownership and responsibility for the future maintenance and replacement of such conduits, lines, cables, wires or other equipment shall be the sole responsibility of the Owner of the Unit served thereby. Easements for installation and maintenance of utilities and drainage facilities, if any, are also reserved as shown on the Plat. Within these easements no structure, planting or other material shall be placed or permitted to remain which may interfere with the installation and maintenance of utilities, or which may obstruct or change the flow of drainage channels in the easements.

Section 9.2: All Units and Common Elements shall be subject to easements for the encroachment of improvements from adjacent Units which existed upon creation of the Condominium to the extent that such improvements actually encroach, provided such encroachment does not interfere with the reasonable use of the Common Elements or Units

so encroached upon. If the Building(s), any Unit or any portion of the Common Elements is partially or totally destroyed by fire or other casualty or as a result of condemnation or eminent domain proceedings and is thereafter rebuilt, encroachment of parts of the Common Elements upon any Unit or upon any portion of the Common Elements due to such rebuilding shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist so long as the Buildings shall stand.

Section 9.3: The Association shall have a right of entry upon the Units, the Common Elements and any Limited Common Elements to effect emergency repairs and a reasonable right of entry upon the Units to effect other repairs, improvements, replacement or maintenance, as necessary, whether such repairs, improvements, replacements or maintenance is made for the benefit of the Unit entered or another Unit.

Section 9.4: All easements granted herein are appurtenant to and shall run with the Land, the Buildings and each Unit and shall inure to the benefit of and be binding upon the Association, Owners, tenants, occupants, mortgage holders, and any other person or entity having an interest in the Condominium.

ARTICLE X INSURANCE

Section 10.1: Property Insurance. The Executive Board shall obtain and maintain, at all times, insurance on the Property in an amount not less than one hundred percent (100%) of the replacement cost of the Buildings at the time such insurance is purchased and at the time of each renewal thereof (exclusive of the cost of the Land but inclusive of the Common Elements and Limited Common Elements), with a commercially reasonable deductible as determined by the Executive Board. Such insurance shall not cover any personal property or improvements either located within a Unit or owned by the Owner of such Unit but located outside the boundaries thereof. The policies evidencing such coverage shall insure against all risks of direct physical loss including fire and extended coverage perils, shall provide that each Unit Owner is an insured person with respect to such Owner's Unit and such Owner's allocated interest in the Common Elements; shall contain clauses providing for waiver of subrogation against any Owner, and any Owner's tenants, employees or agents; shall provide that such policies may not be canceled or substantially modified without at least thirty (30) days prior written notice to the Association and all the insureds, including all Mortgagees, shall provide that no act or omission by any Owner, unless acting within the scope of his authority on behalf of the Association, will preclude recovery upon such policy; and shall provide that if, at the time of a loss under the policy, there is other insurance in the name of a Unit Owner covering the same risk covered by the policy, the Association's policy provides primary insurance. All such policies shall provide that adjustment of loss shall be made by the Executive Board as insurance trustee. Each insurance policy shall provide for the issuance of certificates or mortgagee endorsements to Mortgagees.

Section 10.2: Public Liability Insurance. The Executive Board shall obtain and maintain a policy of comprehensive general liability insurance in such limits as the Executive Board may, from time to time, determine, covering each member of the Executive Board, the managing agent, if any, and each Owner with respect to liability arising out of the use, ownership, maintenance, or repair of the Common Elements; provided, however, that in no event shall the limits of such policy ever be less than \$1,000,000 per occurrence. Such insurance shall include endorsements covering cross liability claims of one insured against another, including the liability of the Owners as a group to a single Owner, and shall provide that such policies may not be canceled or substantially modified without at least ten (10) days prior written notice to the Association and to all insureds. The Executive Board shall review such limits annually.

Section 10.3: Fidelity Coverage. The Executive Board may obtain such detailed coverage against dishonest acts on the part of all persons responsible for handling funds belonging to or administered by the Association as it may deem necessary. Any such fidelity insurance policy must name the Association as the named insured and shall be written in an amount as may be determined by the Executive Board, but in no event less than one-half the

annual budgeted amount of Common Expenses, or the amount required by any Mortgagee, whichever is greater.

Section 10.4: Other Insurance Policies. The Executive Board shall be authorized to obtain such other insurance coverage, including workman's compensation, as the Executive Board shall determine from time to time to be desirable or necessary.

Section 10.5: Premiums. Premiums upon insurance policies purchased by the Executive Board, and any amounts paid as a result of a deductible, shall be paid by the Executive Board and charged as a Common Expense.

Section 10.6: Distribution of Insurance Proceeds. All insurance policies procured by the Executive Board shall provide that all losses shall be adjusted with and all proceeds shall be payable to the Executive Board as insurance trustee. The sole duty of the Executive Board as insurance trustee shall be to receive such proceeds as are paid and to hold the same in trust for the purposes set forth herein and for the benefit of the Owners and their Mortgagees in the following shares:

- (a) Proceeds on account of damage to the Common Elements shall be held in undivided shares for each Owner and his Mortgagee, if any; each Owner's share to be the same as such Owner's fractional interest in the Common Elements.
- (b) Proceeds on account of damage to Units shall be held in the following undivided shares:
 - (1) When the damage is to be restored, for the Owners of damaged Units in proportion to the cost of repairing the damage to each such Owner's Unit, which cost shall be determined by the Executive Board;
 - (2) When the damage is not to be restored, an undivided share for each Owner, such share being the same as each such Owner's Unit's allocated interest in the Common Elements.
- (c) In the event a mortgagee endorsement or certificate has been issued with respect to a Unit, the share of the Owner shall be held in trust for the Mortgagee and Owner as their respective interests may appear.
- (d) Proceeds of insurance policies received by the Executive Board as insurance trustee shall be distributed to or for the benefit of the Owners in the following manner:
 - (1) If it is determined, as provided in Article XI below, that the damaged Property with respect to which the proceeds are paid shall not be reconstructed or repaired:
 - (A) the process attributable to the damaged Common Elements shall be used to restore the damaged area to a condition compatible with the rest of the Condominium;
 - (B) the insurance proceeds attributable to Units and Limited Common Elements which are not rebuilt shall be distributed to the Owners of these Units and Units to which those Limited Common Elements were allocated or to their Mortgagees, as their interests may appear; and
 - (C) the remainder of the proceeds shall be distributed to all the Unit Owners or Mortgagees, as their interests may appear, in proportion to their Common Element interests.

- (2) If the damage for which the proceeds were paid is to be repaired or reconstructed, the proceeds shall be paid to defray the costs thereof. Any proceeds remaining after payment of such repair costs shall be distributed to the beneficial Owners and their Mortgagees, if any, jointly.

Section 10.7: Insurance Obtained by Owners. Each Owner shall obtain and keep continuously in force additional fire and casualty and extended coverage insurance upon any improvements and personal property owned by such Owner (including the HVAC system and all utility lines and equipment located outside the boundaries of such Owner's Unit and any Limited Common Elements serving such Unit), public liability insurance, and such other insurance coverage as he may desire. Each Owner shall obtain and maintain public liability insurance coverage in the amount of at least \$500,000 for bodily injury, including deaths of persons and property damage, arising out of a single occurrence. Each Owner shall file a copy of each such individual policy with the Association within thirty (30) days after the conveyance of a Unit to an Owner.

ARTICLE XI DUTY TO REPAIR OR RECONSTRUCT

Section 11.1 Reconstruction and Repair. In the event of damage to or destruction of any Building as a result of fire or other casualty, the Executive Board shall arrange for the prompt restoration and replacement of the Building unless (1) the Condominium is terminated in accordance with the provisions of Article XIII below, or (2) repair or replacement would be illegal under any state or local health or safety statute or ordinance, or (3) the Unit Owners decide not to rebuild by a vote of the Owners of at least eighty percent (80%) of the Units, including one hundred percent (100%) of Owners of Units not to be rebuilt and one hundred percent (100%) of Owners of Units which are assigned Limited Common Elements not to be rebuilt. Unless one of the preceding three conditions occurs, the Executive Board shall arrange for the prompt repair and restoration of the Building, not including any improvements or personal property owned by an Owner inside his Unit or serving his Unit but located outside such Unit's boundaries, and further not including any decoration or covering for walls, ceilings, or floors, or furniture, furnishings, fixtures or equipment (unless the subject insurance policy covers a portion or all of such loss in which event the Executive Board shall repair or replace such damaged personal property). The Executive Board shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration and make appropriate progress payments in accordance with the provisions of Section 10.6(d)(2) of this Declaration. Any payment for repair and restoration in excess of the insurance proceeds shall constitute a Common Expense. Any reconstruction or repair shall be in accordance with the Plat(s) and Plan(s). If the Unit Owners vote not to rebuild any Unit, that Unit's allocated interests shall be automatically reallocated upon such vote as if the Unit had been condemned under N.C.G.S. § 47C-1-107(a).

Section 11.2 Obligations of Owners. Each Owner will, at his sole cost and expense, keep and maintain his Unit in good order and repair and will make no structural addition, alteration or improvement to his Unit without the prior written consent of the Executive Board, except as authorized under N.C.G.S. § 47C-2-111. Upon the failure of an Owner to so maintain his Unit, the Executive Board shall be authorized to maintain, repair or restore such Unit, and the cost thereof shall be charged to such Owner and constitute a lien on the Unit until paid. If after the occurrence of damage to or destruction of a building pursuant to Section 11.1 above, a Building is repaired and restored, then each Owner shall thereafter promptly repair and restore their Unit to the condition in which such Unit existed prior to such damage or destruction, unless otherwise approved by the Executive Board.

ARTICLE XII UNITS SUBJECT TO CONDOMINIUM DOCUMENTS

All present and future Owners, tenants, and occupants of the Units shall be subject to and shall comply with the provisions of this Declaration, the Articles, Bylaws, the Plat(s) and Plan(s) and any Rules and Regulations as may be adopted, as all of the foregoing may be amended and supplemented from time to time. The acceptance of a deed of conveyance or the entering into of a lease or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the Articles, the Bylaws, the Plat(s) and Plan(s) and any Rules and Regulations which may be adopted are accepted and ratified by such Owner, tenant or occupant, and agreement that such provisions shall be deemed and taken to be covenants running with the Land, the Buildings and the Units and shall bind any person having at any time any interest or estate in such Unit as though such provisions were made a part of each and every deed of conveyance or lease.

ARTICLE XIII TERMINATION

The Condominium may be terminated and the Property removed from the provisions of the Condominium Act by the unanimous agreement of all of the Unit Owners, as evidenced by execution of a termination agreement, or ratification thereof, by such Owners and such other requirements as may be imposed by applicable law.

ARTICLE XIV RIGHTS RESERVED TO MORTGAGEES

Section 14.1 Rights of Mortgagees to Examine Books and Records. Any Mortgagee, and any insurer or guarantor of a loan secured by a Mortgage, shall have the right to examine, during normal business hours and upon reasonable notice, the books and records of the Association, including copies of the Condominium Documents, as amended, and the financial statements of the Association, and to be furnished, upon written request, at least one copy of the annual financial statement and report of the Association, such annual statement and report to be furnished within ninety (90) days following the end of each fiscal year. If any Mortgagee requests, and agrees to pay the cost of the audit, the financial statement shall be audited by an independent certified public accountant.

Section 14.2 Mortgagee's Rights to Notice. If any Mortgagee, or any guarantor or insurer of a loan secured by a Mortgage, has served written notice of its desire to receive notices under this Section 14.2 upon the Association by certified mail, return receipt requested, addressed to the Association and sent to its address stated herein, identifying the Mortgage that it holds, guarantees, or insures, which notice designates the place to which notices are to be given by the Association to such party, then such party shall have the right to receive from the Association prompt written notice of the following:

- (a) Default under any of the terms and provisions of the Condominium Documents by any Owner owning a Unit encumbered by a Mortgage held, insured, or guaranteed by such party.
- (b) Any loss or damage to or condemnation or taking of the Common Elements or any loss or damage to or condemnation or taking of a Unit encumbered by a Mortgage held, insured or guaranteed by such Mortgagee.
- (c) Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association.
- (d) Any proposed action by the Association, the Executive Board, or the Owners, which under the terms of the Condominium

Documents requires the consent of all or any portion of the Mortgagees.

The failure of any Mortgagee to respond within thirty (30) days to any written request of the Association, sent by registered or certified mail, return receipt requested, for approval of an addition or amendment to the Condominium Documents wherever Mortgagee approval is required shall constitute an implied approval by that Mortgagee of the proposed addition or amendment.

Section 14.3 Enforcement. The provisions of this Article XIV are for the benefit of all Mortgagees and their successors, and may be enforced by any of them by any available means.

ARTICLE XV CONDEMNATION

In the event all or any part of the Property shall be taken in condemnation or by eminent domain, the award for such taking shall be distributed in accordance with the procedure set forth in N.C.G.S. 47C-1-107.

ARTICLE XVI GENERAL PROVISIONS

Section 16.1 All powers granted in the Declaration, the Articles, the Bylaws or any Rule or Regulation to the Association shall be exercisable by the Executive Board, except as otherwise expressly provided in the Declaration, the Articles, the Bylaws, the Rules and Regulations or N.C.G.S. Chapter 47C.

Section 16.2 The Association shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, Rules and Regulations and charges now or hereafter imposed by the provisions of this Declaration, the Articles, the By-Laws or such Rules and Regulations. Failure by the Association to enforce any such restrictions, conditions, covenants, reservations, liens, Rules and Regulations and charges, shall in no event be deemed a waiver of the right to do so thereafter.

Upon notice to the Association of a violation hereunder and a failure of the Association to take action upon said violation within 90 days, any Owner, or other holder of an interest in the Condominium may undertake the enforcement of the provisions of the Declaration at his own expense.


Section 16.3 Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 16.4 The covenants and restrictions of this Declaration shall run with and bind the Land, Buildings and Units for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. Except for the Special Declarant Rights reserved unto the Declarant (including any successor Declarant) set forth in Article II above or in any other Article or Section of this Declaration which may be exercised solely by the Declarant (including any successor Declarant) without the joinder of any other Owner, this Declaration may only be amended by an instrument signed by not less than the Owners of at least fifty-one percent (51%) of the total fractional undivided interests in the Common Elements. Any such amendment to this Declaration must be recorded and upon such recording, the same shall be binding upon all Unit Owners.

Section 16.5 The fiscal year of the Association shall begin on the first day of January and end the 31st day of December of each year, except that the first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, the Declarant, Gate City Holdings, LLC, a North Carolina Limited Liability Company, has hereunto caused this instrument to be signed and sealed in its company name by its Manager/Member, on the day and year first written above.

GATE CITY HOLDINGS, LLC

By:  (SEAL)
James K. Pendergrass, Jr., Manager/Member

STATE OF NORTH CAROLINA
COUNTY OF WAKE

I, Elizabeth Gilbert, a Notary Public of the County and State aforesaid, certify that James K. Pendergrass, Jr., personally came before me this day and acknowledged that he is Manager/Member of Gate City Holdings, LLC, a North Carolina Limited Liability Company, and that by authority duly given and as the act of the Company.

Witness my hand and official stamp or seal, this the 27th day of June, 2007.

Elizabeth Gilbert
Notary Public
Elizabeth Gilbert
Print Name

My Commission Expires: 3-28-2011

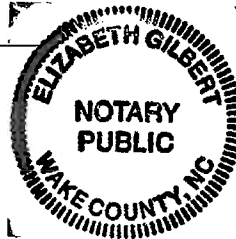


EXHIBIT "A"

BEGINNING at an existing iron pipe located on the north right of way of US Hwy 29-70 (Business I-85), said existing iron pipe also being the southeast corner of Athens Investments as recorded in Deed Book 3502 at Page 695, in the Office of the Register of Deeds for Guilford County, North Carolina; thence with the east line of Athens Investments North $34^{\circ} 48' 34''$ West 450.31 feet to an iron pipe in the southern right of way of Ardale Drive, a seventy foot right-of-way; thence with the southern right of way of Ardale Drive and a curve to the right having a radius of 40.07 feet and an arc length 45.19 feet with a chord bearing of South $85^{\circ} 29' 35''$ East for a distance of 42.83 feet to an iron pipe; thence continuing with the right of way of Ardale Drive and a curve to the left having a radius of 60.00 feet and an arc length of 243.41 feet with a chord bearing of North $10^{\circ} 32' 37''$ East a distance of 107.65 feet to an iron pipe, corner of the City of High Point; thence with the City of High Point line and a curve to the right having a radius of 402.28 feet and an arc length of 43.10 feet with a chord bearing of North $77^{\circ} 23' 36''$ East for a distance of 43.06 feet to a new iron pipe; thence North $88^{\circ} 36' 40''$ East 191.12 feet to a new iron pipe; thence North $88^{\circ} 50' 07''$ East 589.28 feet to a new iron pipe; thence North $79^{\circ} 58' 32''$ East 159.87 feet to a new iron pipe; thence North $58^{\circ} 26' 33''$ East 399.56 feet to a new iron pipe; thence South $86^{\circ} 45' 24''$ East 79.00 feet to a new iron pipe; thence South $17^{\circ} 47' 07''$ East 29.39 feet to a new iron pipe on the north right of way of US Hwy 29-70 (Business I-85); thence with the north right of way of US Hwy 29-70 (Business I-85) South $60^{\circ} 37' 59''$ West 774.63 feet to an existing iron pipe and continuing with the north right of way of US Hwy 29-70 (Business I-85) South $59^{\circ} 27' 31''$ West 477.68 feet to an existing iron pipe and continuing with said right of way South $57^{\circ} 44' 13''$ West 150.02 feet to the point and place of Beginning and containing 6.792 acres, more or less.

SOSID: 0912990
 Date Filed: 6/26/2007 2:48:00 PM
 Elaine F. Marshall
 North Carolina Secretary of State
 C200717700346

EXHIBIT "B"

State of North Carolina
 Department of the Secretary of State

ARTICLES OF RESTATEMENT
 FOR NONPROFIT CORPORATION

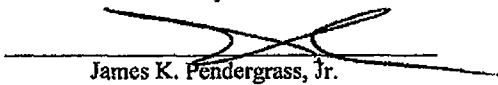
Pursuant to §55A-10-06 of the General Statutes of North Carolina, the undersigned corporation hereby submits the following for the purpose of restating its Articles of Incorporation.

1. The name of the corporation is: East Gate Village Condominiums Association, Inc.
2. The text of the Restated Articles of Incorporation is attached.
3. (Check a, b, c, and/or d, as applicable.)
 - a. ☐ These Restated Articles of Incorporation were adopted by the board of directors and do not contain an amendment.
 - ☒ These Restated Articles of Incorporation were adopted by the board of directors and contain an amendment not requiring member approval. (Set forth a brief explanation of why member approval was not required for such amendment.) The incorporator is the sole owner of the company that owns all of the property that is described in the original Articles filed on May 10, 2007 and in the attached Restated Articles of Incorporation.
 - b. ☐ These Restated Articles of Incorporation contain an amendment requiring member approval, and member approval was obtained as required by Chapter 55A of the North Carolina General Statutes.
 - c. ☐ These Restated Articles of Incorporation contain an amendment requiring approval by a person whose approval is required pursuant to N.C.G.S. §55A-10-30, and such approval was obtained.
4. These articles will be effective upon filing, unless a delayed date and/or time is specified: _____

This the 26th day of June, 2007

East Gate Village Condominiums Association, Inc.

Name of Corporation


 James K. Pendergrass, Jr.
 President-Incorporator

Notes:

1. Filing fee is \$10, unless the Restated Articles of Incorporation include an amendment, in which case the filing fee is \$25. This document and one exact or conformed copy of these articles must be filed with the Secretary of State. (Revised Jan 2003)

Corporations Division

PO Box 29622

Raleigh, NC 27626-0622

**RESTATED
ARTICLES OF INCORPORATION
OF
EAST GATE VILLAGE CONDOMINIUMS
ASSOCIATION, INC.
A NON-PROFIT CORPORATION**

The undersigned, being a natural person of full age, does hereby make and acknowledge these Articles of Incorporation for the purpose of forming a non-profit corporation under and by virtue of Chapter 55A of the General Statutes of North Carolina and the laws of the State of North Carolina.

**ARTICLE I
NAME**

The name of the corporation is EAST GATE VILLAGE CONDOMINIUMS ASSOCIATION, INC. (hereinafter referred to as the "Association").

**ARTICLE II
DURATION**

The period of duration of the corporation is perpetual.

**ARTICLE III
PURPOSES AND POWERS**

The purposes and powers for which the corporation is organized are as follows:

(1) To operate and manage a condominium known as EAST GATE VILLAGE CONDOMINIUMS organized pursuant to Chapter 47C of the North Carolina General Statutes and located in High Point, Guilford County, North Carolina;

(2) To undertake the performance of, and carry out the acts and duties incident to the administration of the operation and management of the Association in accordance with the terms, provisions, conditions and authorization contained in both these Articles and in the Declaration of Condominium for EAST GATE VILLAGE CONDOMINIUMS (the "Declaration") which shall be recorded in the Guilford County Public Registry at such time as the real property described on Exhibit "A" attached hereto and the improvements thereon are submitted to the Declaration;

(3) To make, establish and enforce reasonable rules and regulations governing the use of the Common Elements, Land, and other real and personal property which may be a part of the Condominium as those terms are more fully defined in the Declaration;

(4) To make, levy and collect assessments against Condominium Unit Owners, as described in the Declaration; to provide the funds to pay for Common Expenses of the Association as provided in the Declaration and to use and expend the proceeds of assessments in the exercise of the powers and duties of the Association; to use said assessments to promote the acquisition, improvement and maintenance of the Common Elements, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Elements, including, but not limited to, the cost of repair, replacement and additions thereto, the cost of labor, equipment, materials, management and supervision thereof and the maintenance of insurance, including the employment of accountants, attorneys and other professional services providers to represent the Association when necessary for such other needs as may arise;

(5) To maintain, repair, replace and operate the Common Elements and other properties for which the Association is responsible;

(6) To enforce by any legal means, the provisions of the Declaration, these Articles, the Bylaws and the Rules and Regulations;

(7) To delegate to the Association's officers all powers and duties of the Association except those powers and duties which are specifically required to have approval of the Association's Executive Board or the membership of the Association; and

(8) To have all of the common law and statutory powers of a non-profit corporation and also those powers as set out in the Declaration and all powers reasonably necessary to implement the purposes of the Association.

ARTICLE IV MEMBERSHIP

A. The Association shall have Members which shall be limited solely to the Owners of Units in EAST GATE VILLAGE CONDOMINIUMS as provided in the Declaration. Membership shall be automatically established by acquisition of fee title to a Condominium Unit whether by conveyance, devise, descent, or judicial decree. A new owner designated in such deed or other instrument shall thereupon become a Member of the Association, and the membership of the prior owner as to a designated Condominium Unit shall be terminated. Each new Owner shall deliver to the Association a true copy of such deed or instrument of acquisition of title.

B. Neither one's membership in the Association nor a member's share in the funds and assets of the Association may be assigned, hypothecated or transferred in any manner except as an appurtenance to a Unit in EAST GATE VILLAGE CONDOMINIUMS.

ARTICLE V EXECUTIVE BOARD

A. The number of members of the Executive Board and the method of election of same shall be fixed by the Bylaws; however, the number of Board members shall not be less than three. The first election by the members of the Association for members of the Executive Board shall not be held until after the Declarant (i.e. GATE CITY HOLDINGS, LLC, its successors or assigns) has relinquished control of the Association as set out in the Declaration. Thereafter, the election of members to the Executive Board shall take place at the annual meeting of the membership as provided in the Bylaws. After the Declarant has relinquished control, there shall be a special meeting of the membership for the purpose of electing a new Executive Board to serve until the next annual meeting and until new members of the Executive Board are elected and qualified.

B. To the fullest extent permitted by the North Carolina Non-Profit Corporation Act as it exists or may hereafter be amended, no person who is serving or who has served as a member of the Executive Board shall be personally liable for monetary damages for breach of any duty as a director. No amendment or repeal of this Article, nor the adoption of any other amendment to these Articles of Incorporation inconsistent with this Article, shall eliminate or reduce the protection granted herein with respect to any matter that occurred prior to such amendment, repeal or adoption.

ARTICLE VI INITIAL EXECUTIVE BOARD

The number of members constituting the initial Executive Board shall be three and the names and addresses of the persons who are to serve as the first Executive Board are as follows:

<u>NAME</u>	<u>ADDRESS</u>
James K. Pendergrass, Jr.	1511 Sunday Dr., Suite 220 Raleigh, NC 27607
Bernard Richards, Jr.	1511 Sunday Dr., Suite 220 Raleigh, NC 27607
Elizabeth W. Gilbert	1511 Sunday Dr., Suite 220 Raleigh, NC 27607

ARTICLE VII TAX STATUS

The Association shall have all the powers granted non-profit corporations under the laws of the State of North Carolina. Notwithstanding any other provision of these Articles, this Association hereby elects tax-exempt status under Section 528 of the Internal Revenue

Code of 1986. This Association shall not carry on any activities prohibited by an Association electing tax-exempt status under Section 528, or any corresponding sections or provisions of any future United States Internal Revenue law. It is further provided that no distributions of income of the Association are to be made to Members, directors or officers of the Association; provided, however, that Members of the Association may receive a rebate of any excess dues and assessments previously paid.

ARTICLE VIII DISTRIBUTION OF ASSETS UPON DISSOLUTION

Upon dissolution of the Association, the assets thereof shall, after all liabilities and obligations of the Association have been paid, or adequate provision made therefore, be dedicated to an appropriate public agency to be used for purposes similar to those for which the corporation was created or, in the event that such dedication is refused acceptance, distributed to any association or associations organized for purposes similar to those set for in Article III above, all in accordance with any further provisions of the Bylaws of the Association.

ARTICLE IX REGISTERED OFFICE AND AGENT

The address of the initial registered office of the Association in the State of North Carolina is 1511 Sunday Drive, Suite 220, Raleigh, Wake County, North Carolina, 27607, and the name of the initial registered agent at such address is James K. Pendergrass, Jr.

ARTICLE X PRINCIPAL OFFICE

The address of the principal office of the Association is 1511 Sunday Drive, Suite 220, Raleigh, Wake County, North Carolina, 27607, and the mailing address of the principal office of the Association is P O Drawer 33809, Raleigh, Wake County, North Carolina, 27636.

ARTICLE XI INCORPORATOR

The name and address of the incorporator is James K. Pendergrass, Jr., 1511 Sunday Drive, Suite 220, Raleigh, Wake County, North Carolina 27607.

IN WITNESS WHEREOF, the incorporator has hereunto set his hand and seal this
26th day of June, 2007.

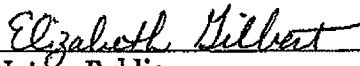


James K. Pendergrass, Jr.
Incorporator

NORTH CAROLINA
COUNTY OF WAKE

I, the undersigned Notary Public, do hereby certify that James K. Pendergrass, Jr.,
Incorporator, personally appeared before me this day and acknowledged the due execution
of the foregoing instrument.

WITNESS my hand and notarial seal this the 26th day of
June, 2007.



Notary Public
Elizabeth Gilbert

Print Name

My commission expires: 3-28-2011

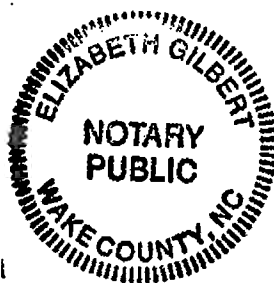


EXHIBIT "A"

BEGINNING at an existing iron pipe located on the north right of way of US Hwy 29-70 (Business I-85), said existing iron pipe also being the southeast corner of Athens Investments as recorded in Deed Book 3502 at Page 695, in the Office of the Register of Deeds for Guilford County, North Carolina; thence with the east line of Athens Investments North $34^{\circ} 48' 34''$ West 450.31 feet to an iron pipe in the southern right of way of Ardale Drive, a seventy foot right-of-way; thence with the southern right of way of Ardale Drive and a curve to the right having a radius of 40.07 feet and an arc length 45.19 feet with a chord bearing of South $85^{\circ} 29' 35''$ East for a distance of 42.83 feet to an iron pipe; thence continuing with the right of way of Ardale Drive and a curve to the left having a radius of 60.00 feet and an arc length of 243.41 feet with a chord bearing of North $10^{\circ} 32' 37''$ East a distance of 107.65 feet to an iron pipe, corner of the City of High Point; thence with the City of High Point line and a curve to the right having a radius of 402.28 feet and an arc length of 43.10 feet with a chord bearing of North $77^{\circ} 23' 36''$ East for a distance of 43.06 feet to a new iron pipe; thence North $88^{\circ} 36' 40''$ East 191.12 feet to a new iron pipe; thence North $88^{\circ} 50' 07''$ East 589.28 feet to a new iron pipe; thence North $79^{\circ} 58' 32''$ East 159.87 feet to a new iron pipe; thence North $58^{\circ} 26' 33''$ East 399.56 feet to a new iron pipe; thence South $86^{\circ} 45' 24''$ East 79.00 feet to a new iron pipe; thence South $17^{\circ} 47' 07''$ East 29.39 feet to a new iron pipe on the north right of way of US Hwy 29-70 (Business I-85); thence with the north right of way of US Hwy 29-70 (Business I-85) South $60^{\circ} 37' 59''$ West 774.63 feet to an existing iron pipe and continuing with the north right of way of US Hwy 29-70 (Business I-85) South $59^{\circ} 27' 31''$ West 477.68 feet to an existing iron pipe and continuing with said right of way South $57^{\circ} 44' 13''$ West 150.02 feet to the point and place of Beginning and containing 6.792 acres, more or less.

EXHIBIT "C"

CERTIFICATE OF COMPLETION
FOR
EAST GATE VILLAGE CONDOMINIUMS

The undersigned, being a Professional Engineer licensed under the provisions of Chapter 89 [89C] of the North Carolina General Statutes, hereby certifies that all structural components and mechanical systems of all buildings containing or comprising any units created by the Declaration of Condominium for EAST GATE VILLAGE CONDOMINIUMS, to which this Certificate of Completion is attached and made a part, are substantially completed in accordance with the plans.

This Certificate of Completion is issued in accordance with and in satisfaction of the requirements of N.C.G.S. 47C-2-101.

This the 5 day of April, 2007.

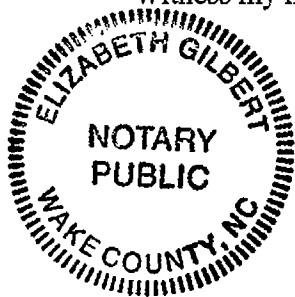
By: Gregory J. Tierney
Gregory J. Tierney, P.E.
Professional Engineer
License No. 015141

STATE OF NORTH CAROLINA

COUNTY OF WAKE

I, a Notary Public of the County and State aforesaid, do hereby certify that Gregory J. Tierney, Professional Engineer, personally appeared before me this day and acknowledged the due execution of the following instrument.

Witness my hand and official seal, this the 5th day of April, 2007.



Elizabeth Gilbert
Notary Public

Elizabeth Gilbert
Printed Name

My Commission Expires: 3-28-2011

EXHIBIT "D"
Undivided Interest in Common Elements

<u>Unit Number</u>	<u>Undivided Interest</u>
Unit 300-1A	1/96
Unit 300-1B	1/96
Unit 300-1C	1/96
Unit 300-1D	1/96
Unit 300-2A	1/96
Unit 300-2B	1/96
Unit 300-2C	1/96
Unit 300-2D	1/96
Unit 300-2E	1/96
Unit 300-2F	1/96
Unit 300-2G	1/96
Unit 300-2H	1/96
Unit 302-1A	1/96
Unit 302-1B	1/96
Unit 302-1C	1/96
Unit 302-2A	1/96
Unit 302-2B	1/96
Unit 302-2C	1/96
Unit 302-2D	1/96
Unit 302-2E	1/96
Unit 302-2F	1/96
Unit 304-1A	1/96
Unit 304-1B	1/96
Unit 304-1C	1/96
Unit 304-1D	1/96
Unit 304-2A	1/96
Unit 304-2B	1/96
Unit 304-2C	1/96

Unit 304-2D	1/96
Unit 304-2E	1/96
Unit 304-2F	1/96
Unit 304-2G	1/96
Unit 304-2H	1/96
Unit 306-1A	1/96
Unit 306-1B	1/96
Unit 306-1C	1/96
Unit 306-1D	1/96
Unit 306-2A	1/96
Unit 306-2B	1/96
Unit 306-2C	1/96
Unit 306-2D	1/96
Unit 306-2E	1/96
Unit 306-2F	1/96
Unit 306-2G	1/96
Unit 306-2H	1/96
Unit 308-1A	1/96
Unit 308-1B	1/96
Unit 308-1C	1/96
Unit 308-1D	1/96
Unit 308-2A	1/96
Unit 308-2B	1/96
Unit 308-2C	1/96
Unit 308-2D	1/96
Unit 308-2E	1/96
Unit 308-2F	1/96
Unit 308-2G	1/96
Unit 308-2H	1/96
Unit 310-1A	1/96

Unit 310-1B	1/96
Unit 310-1C	1/96
Unit 310-1D	1/96
Unit 310-2A	1/96
Unit 310-2B	1/96
Unit 310-2C	1/96
Unit 310-2D	1/96
Unit 310-2E	1/96
Unit 310-2F	1/96
Unit 310-2G	1/96
Unit 310-2H	1/96
Unit 312-1A	1/96
Unit 312-1B	1/96
Unit 312-1C	1/96
Unit 312-1D	1/96
Unit 312-2A	1/96
Unit 312-2B	1/96
Unit 312-2C	1/96
Unit 312-2D	1/96
Unit 312-2E	1/96
Unit 312-2F	1/96
Unit 312-2G	1/96
Unit 312-2H	1/96
Unit 314-1A	1/96
Unit 314-1B	1/96
Unit 314-1C	1/96
Unit 314-1D	1/96
Unit 314-1E	1/96
Unit 314-2A	1/96
Unit 314-2B	1/96
Unit 314-2C	1/96

Unit 314-2D	1/96
Unit 314-2E	1/96
Unit 314-2F	1/96
Unit 314-2G	1/96
Unit 314-2H	1/96
Unit 314-2I	1/96
Unit 314-2J	1/96

Total 1